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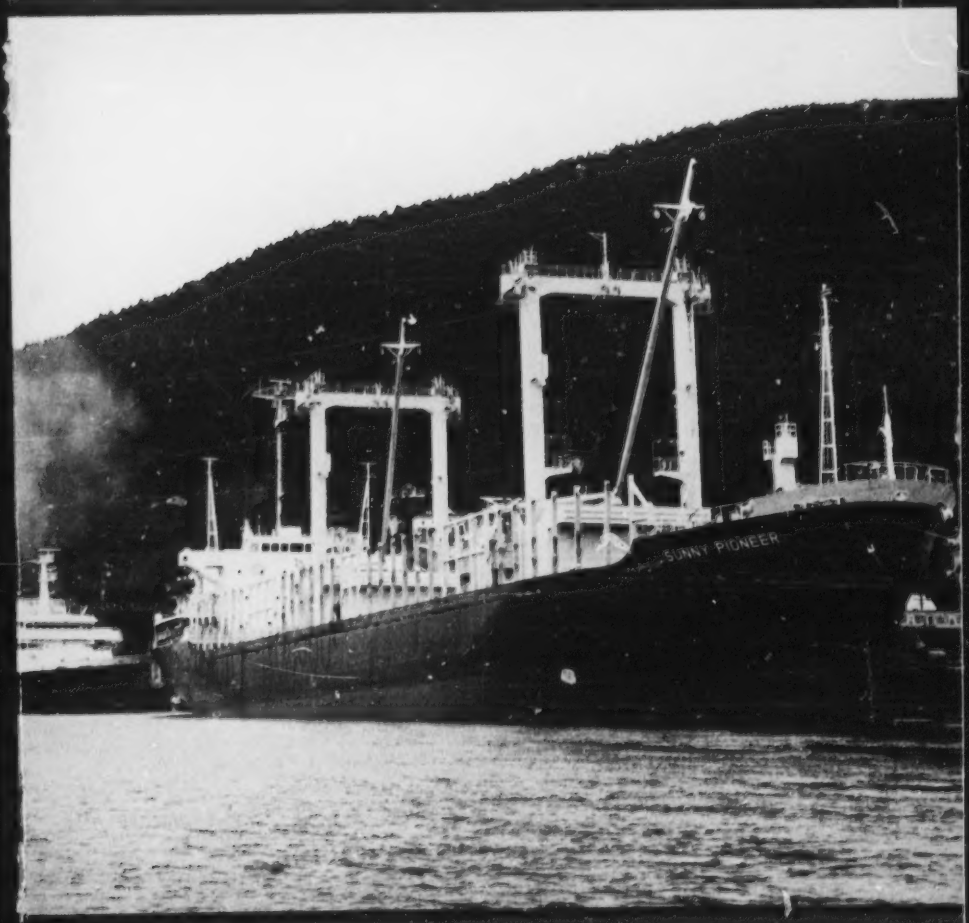
APRIL 1983

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska



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ALASKA ECONOMIC TRENDS

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Cover Photo by USDA Forest Service

LABOR MARKET INFORMATION CONFERENCE

The Alaska Occupational Information Coordinating Committee and the Alaska Department of Labor, Research and Analysis Section, are co-sponsoring four Labor Market Information (LMI) Conferences this spring in Juneau, Anchorage, Fairbanks, and Kenai.

The conference will provide an overview and discussion of published and unpublished LMI data. Population information, occupational information and current employment and cost of living measures will be presented and be discussed at these two-day conferences.

Following are the tentative conference dates by location.

April 26, 27	Juneau
May 24, 25	Fairbanks
May 26, 27	Anchorage
June 1, 2	Kenai

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THE JONES ACT

By Sally Saddler

The final report of the Alaska Statehood Commission states that "repeal of the Jones Act will serve Alaska's and the nation's interest." In response to this recommendation, Alaska Senate Joint Resolution No. 13, of the thirteenth legislature, urges Congress to repeal this act.

THE JONES ACT

Section 27 of the Merchant Marine Act of 1920, commonly known as the Jones Act, regulates trade between American ports. Domestic trade is restricted to vessels built and registered in the United States, and owned and operated by Americans. Protection of domestic trade from foreign flag vessels has existed in various forms since late 1790 and is intended to promote and maintain a strong domestic merchant marine fleet. There are two underlying reasons for maintaining a domestic fleet.

* For the economic good of the nation (protection from "unfair" foreign competition)

* For the benefit of national security

Many, but not all, foreign countries restrict some form of merchant marine trade to national flag ships. European countries with relatively short coastlines do not widely restrict trade, but often institute financial aid and incentives to all segments of national shipping.

THE JONES ACT FLEET

According to the U.S. Maritime Administration, 326 of the 575 vessels in the Jones Act fleet accounted for 61% of all U.S. flag vessel tonnage in January 1982. Half of all vessels are tankers. Although nearly 30% of the U.S. fleet engaged in Jones Act trade operate in Alaska, these 94 vessels account for half of total U.S. tonnage. Ninety-four percent of Alaska's Jones Act fleet are tankers.

ALASKA EXEMPTIONS FROM THE JONES ACT

Foreign built, owned, and registered vessels can carry merchandise between the contiguous states and Alaska if the cargo moves for a short distance on a Canadian rail line. Alaska benefits from the fact that the Virgin Islands are exempt from the Jones Act; between 5 and 15% of Alaska oil shipments are made to a refinery in the Virgin Islands. The Virgin Islands are one of several islands in U.S. possession that are exempt from the Jones Act.

Laws affecting trade in coastal waters can be changed using administrative waivers and legislative exemptions which are occasionally granted to individual ships.

EFFECT OF THE JONES ACT ON ALASKA

Virtually every industry that imports or exports some type of good or service to the lower 48 is affected by the Jones Act. Capital costs of building U.S. flag vessels are estimated to be twice as high as their foreign flag counterparts due to the combined effect of relatively high U.S. labor costs, low productivity, and lack of competition as a cost reducing incentive. Costs in manning U.S. flag vessels are also estimated to be twice as high as foreign counterparts due to high labor costs. Additionally, high labor costs increase the cost of vessel maintenance and repair which must be made in the U.S.

According to the Alaska Statehood Commission report, the Jones Act burdens Alaska in several ways.

* Reduces state oil revenues by increasing transportation costs; state revenues which depend upon the well-head price of oil would increase if transportation costs decreased.

* Discourages development of new oil fields and mineral deposits by increasing the costs of getting products to market.

* Increases the cost of domestic freight entering Alaska making virtually all consumption of goods and services higher priced than without the Jones Act.

REPEAL OF THE JONES ACT

In a report prepared for the Alaska Statehood Commission, Simat, Helliesen and Eichmer, Inc. states "crude oil shipments from Valdez. . .accounted for 89.5% of Alaska's total port activity in 1979." The oil industry could be especially affected by the Jones Act due to oil dominance of Alaska's waterborne commerce. However, foregone state revenue may actually be the result of the Export Administration Act of 1979 and the Transalaska Pipeline Authorization Act of 1973 which effectively ban export of North Slope oil to foreign countries. If export were permitted, Alaska oil, currently shipped to the U.S. Gulf and East coasts, would probably be exported to Japan and other Pacific Rim markets. Should this occur, the Jones Act would not affect Alaska oil shipments outside the U.S.

Crude oil producers own or charter the Alaska oil tankers and are committed to pay off high transportation investment costs. As a result, transportation costs would not immediately fall upon repeal of the Jones Act. Additionally,

Arlon Tussing reports the incentive for oil producers to seek transportation cost reductions is "weak because the combination of royalties and severance taxes, 'windfall profits' taxes, and federal and state income taxes leave the producers less than 10% of any increase in well-head prices stemming from lower ocean transport costs".

The extent to which the Jones Act discourages development of new oil fields and mineral deposits is difficult to measure and affects only those resources that would be shipped to U.S. ports. High transportation costs to the U.S. tend to make foreign markets more attractive for Alaska products.

An undisputable transportation cost penalty disproportionately affects Alaska to the extent that we rely more heavily on water transportation than most of the U.S. (Development of alternate transportation modes in the rest of the U.S. may have been boosted by high costs imposed by the Jones Act.) However, it is difficult to measure the impact of transportation costs on general merchandise imports (excluding crude oil, Alaska's exports to the U.S. are minor).

Arlon Tussing states that "the methods by which shippers could circumvent Jones Act cost penalties are virtually unexploited" and, that this supports the contention that "these penalties are insignificant".

Repeal of the Jones Act may reduce transportation costs if foreign owned and operated vessels enter the Alaska market. Outright repeal would displace both Alaska and U.S. employment. Use of foreign built vessels owned and operated by the U.S. could reduce transportation costs to Alaska consumers while protecting both Alaska and U.S. water transportation related employment.

MISCELLANEOUS ISSUES

The Alaska Statehood Commission failed to address the impact of the Jones Act on the Alaska Marine Highway Transportation System. Use of foreign built vessels is prohibited. If allowed, Alaska could save half the acquisition cost of new ferries.

Repeal of the Jones Act could increase the number of tourships to Alaska. Increased tourism on foreign ships would indirectly contribute to local Alaska economies. Repeal would not guarantee an increase since the volume of passengers depends upon various factors including marketing strategies, the condition of the national economy, and foreign exchange rates. Since many tours originate in California, further study would be required to determine whether foreign tourships currently operating in Alaska abide by the Jones Act provisions that prohibit carrying passengers between U.S. ports.

Current national sentiment that Alaska has excessive oil wealth could increase the difficulty of repealing the Jones Act particularly on the basis of cost penalties to Alaskans. An amendment to the Jones Act to allow foreign built vessels to be owned and operated between U.S. ports holds more promise. U.S. shipbuilders would be most affected by this amendment, in addition to that portion of nonagricultural employment related to construction of Jones Act fleets. Employment related to the construction of non-Jones Act vessels would not be affected so that the U.S. shipbuilding capacity would be preserved for the benefit of national security.

ALASKA

By Brit Harvey

NONAGRICULTURAL EMPLOYMENT

Alaska nonagricultural wage and salary employment increased during February by 0.6% to 192,900. Seasonally adjusted, there was no change during February, as the Composite Nonagricultural Employment Index remained at 198.5. The February total indicates that the Alaska economy reached its seasonal low in January, and is beginning once again to add jobs. The rapid seasonally adjusted growth which occurred in December and January did not continue into February.

At the industry level there were few significant changes in February. Seafood processing increased employment by 700 jobs. This resulted from the winding down of the disastrous king crab season and a switchover to tanner crab, where catches have been more normal. Lumber and paper also registered a small increase.

In general, Alaska's economy appears to be continuing to grow this winter when seasonal factors are discounted. The slowdown in growth forecast by most observers has yet to occur. The preliminary February estimates indicate that employment is up 8.4% compared to February of last year.

SALMON OUTLOOK

Salmon processing is a major contributor to employment during the summer in Alaska coastal communities. Employment is primarily a function of catch volume. While salmon prices are important to harvesters and processing companies, processing employment is not strongly influenced by prices, at least in the short-run.

In recent years, particularly 1981 and 1982, Alaska Department of Fish and Game harvest projections have varied substantially from eventual harvests. For 1983 the forecasted salmon harvest is approximately 95,000,000 fish. If this size harvest is realized, it would be smaller than any of the past three years. Employment in fish processing might also be expected to be correspondingly smaller, peaking in late summer at about 11,500 to 12,000, assuming no changes in other summer fisheries harvests.

1980 CENSUS LABOR FORCE DATA

The labor force data presented monthly in this publication are derived from a sample household survey and unemployment insurance claim data. While these data are timely, they are limited in scope and are subject to statistical

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	P/ 2/83	R/ 1/83	2/82	CHANGES FROM: 1/83	2/82
Nonag. Wage & Salary	192900	191700	177900	1200	15000
Mining	9400	9400	8700	0	700
Construction	12500	12600	10500	-100	2000
Manufacturing	7600	6700	7800	900	-200
Food & Kindred Prod.	3200	2500	2900	700	300
Lumber & Paper Prod.	1800	1600	2400	200	-600
All Other Mfg.	2600	2600	2500	0	100
Trans. Comm. & Util.	18100	18100	16900	0	1200
Trucking & Whseing.	2500	2400	2300	100	200
Water Transportation	1300	1200	1100	100	200
Air Transportation	5400	5500	5200	-100	200
Other Trans. Comm. & Utilities	8900	9000	8300	-100	600
Trade	37500	37600	32700	-100	4800
Wholesale Trade	7300	7200	6700	100	600
Retail Trade	30200	30400	26000	-200	4200
Gen. Merchandise & Apparel	4700	4800	3800	-100	900
Food Stores	5000	5000	4300	0	700
Eating & Drinking Places	10400	10200	9200	200	1200
Other Retail Trade	10100	10400	8700	-300	1400
Finance-Ins. & R. Estate	9600	9400	9000	200	600
Services & Misc.	35000	34900	32900	100	2100
Government	63200	63000	59400	200	3800
Federal	18000	18000	17500	0	500
State	18500	18200	17500	300	1000
Local	26700	26800	24400	-100	2300

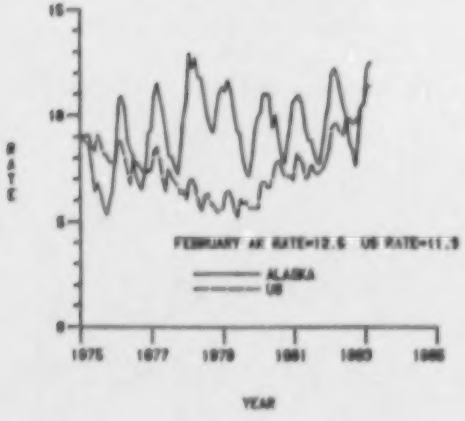
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1981.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

variation. The decennial census provides an opportunity to attain more detailed and more statistically accurate labor force data. The census labor force data are derived from a 50% sample in rural areas of the state, and a 17% sample in place of 2,500 or more population. From a sample size perspective, the census data are the most reliable available.



Unfortunately, the interview procedure followed by the Bureau of the Census in Alaska while soliciting labor force data was flawed. The census was taken over a 9 month period during 1980. This introduces a seasonality problem and compromises the validity of the data.

Presented below are selected labor force data from the 1980 census. A complete version is available upon request from Research and Analysis.

Labor Force Status	Alaska
Total Persons 16 Years and Over	286,350
Labor Force	204,682
Percent of Persons 16 Years and Over	71.5
Civilian Labor Force	182,679
Employed	164,874
Unemployed	17,805
Percent of Civilian Labor Force	9.7
Not in Labor Force	81,668

Labor Force Status in 1979	
Persons 16 Years and Over, in Labor Force in 1979	233,006
Worked in 1979	228,328
50 to 52 Weeks	115,249
40 to 49 Weeks	29,111
1 to 39 Weeks	83,968
Usually Worked 35 or More Hours Per Week	193,565
50 to 52 Weeks	106,677
With Unemployment in 1979	54,281
Unemployed 15 or More Weeks	26,460
Mean Weeks of Unemployment	18.5

ANCHORAGE-MATSU

By Greg Huff

Several forces have contributed to the development of the area encompassing the Matanuska-Susitna Borough. Interwoven, yet distinct, these forces have shaped the region into a unique, though inseparable, economic entity within the state with the "valley" (Palmer-Wasilla area) as the core of economic activity and population. The primary factors influencing activity in this area of the state are natural resource and agricultural development, government policies, and the interrelationship between the neighbor on the south - Anchorage. Though the importance of these factors has been constantly changing over the years, their presence has always been felt.

The first seeds of development were sown by resource extraction (primarily gold and some coal) throughout the Talkeetna Mountains and the establishment of agriculture in the valley by a Federal government decision in the 1930s to locate the Matanuska Farm Colony at what today is Palmer. Although these two factors were very significant earlier in the development of the valley, today they are relatively less important. Agriculture has continued to decline since the 1960s and mining was negligible in the 1950s except for the Matanuska coal mine which closed in 1967. However, because of the deregulation of gold prices in the early 1970s, prices have risen to where it has become feasible for Independence Mine to reopen in hopes of finding concentrations of ore. Development of the Beluga coal field is years away, but if developed, it will add economic impetus to the valley.

Government actions have played a major role in the development of the area, beginning with the location of Matanuska Farm Colony to today's government capital appropriations and the home mortgage program. Key transportation infrastructure was built through government sponsored projects. These projects ranged from constructing roads to intertie farms, to the Glenn and Parks Highways.

During the last decade the interrelationship between MatSu and Anchorage has become the major force in the development of the valley. The interrelationship of the areas is simple. The Anchorage bowl has a limited amount of land for residential use and a concentration of potential home owners while the valley has the space and residential property costs from 10% to 20% less than in Anchorage. Wasilla, in particular, has become a very popular bedroom community for Anchorage workers. It has been estimated that approximately 40% of the valley residents work in Anchorage.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P/	R/	CHANGES FROM:		
	2/83	**1/83**	**2/82**	**1/83**	**2/82**
Nonag. Wage & Salary.....	95650	95600	87850	50	7800
Mining	3650	3650	3850	0	-200
Construction	6100	6200	5450	-100	650
Manufacturing	2050	2000	1800	50	250
Food & Kindred Prod.....	250	250	250	0	0
Other Mfg.	1800	1750	1550	50	250
Trans. Comm. & Util.....	8800	8950	8150	-150	650
Trucking & Whseing.	1350	1400	1200	-50	150
Water Transportation	300	300	200	0	100
Air Transportation	3300	3250	3150	50	150
Other Transportation Comm. & Utilities	3850	4000	3600	-150	250
Trade	23400	23400	19700	0	3700
Wholesale Trade	5300	5250	5000	50	300
Retail Trade.....	18100	18150	14700	-50	3400
Gen. Merchandise.....	1750	1800	1600	-50	150
Food Stores.....	2400	2400	2000	0	400
Eating & Drinking Places	6800	6700	5400	100	1400
Other Retail Trade	7150	7250	5700	-100	1450
Finance-Ins. & R. Estate ..	6150	6100	5600	50	550
Services & Misc.....	20050	19950	18900	100	1150
Government	25450	25350	24400	100	1050
Federal	9700	9750	9650	-50	50
State	6500	6450	6200	50	300
Local.....	9250	9150	8550	100	700

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1981.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

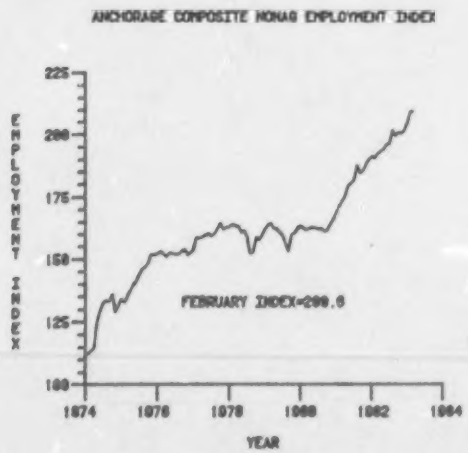
Population

The population of the Matanuska-Susitna census area (coterminous with the Borough boundaries) has increased 2.5 times from 1960 to 1980. According to the 1980 census, the population of the borough was 17,816 compared to 6,509 in 1970 and 5,188 in 1960. By 1982 it was estimated that the population had exploded to 26,193. The MatSu area during the decade was the fastest growing region in the state, and Wasilla was the fastest growing community in the borough.

Table I
Population of Selected Communities

	1960	1970	1980	1982
Palmer	1181	1140	2141	2542
Wasilla	N/A	376	1559	2403
Big Lake	74	36	410	N/A
Talkeetna	76	182	264	N/A
Houston	N/A	69	870	826

During the ten years between 1970 and 1980 the bulk of the population increase was a result of in-migration to the area primarily by Anchorage residents and North Slope workers. Net in-migration surpassed births within the borough by nearly 4.5 times. A comparison of the ratio of births to net in-migration statewide and in Anchorage showed the opposite trend where



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

CHANGES FROM:

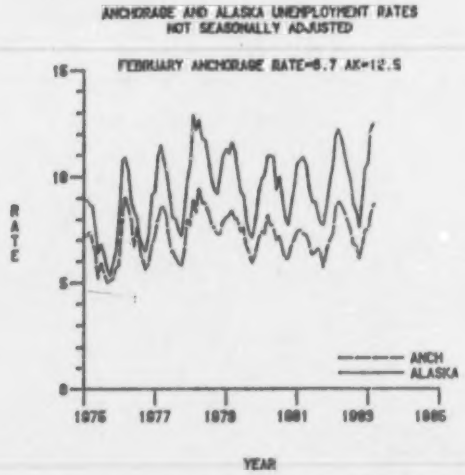
	P/ 2/83	R/ 1/83	2/82	1/83	2/82
Nonag. Wage & Salary.....	99950	99950	91650	0	8300
Mining	3800	3800	3950	0	-150
Construction	6350	6450	5550	-100	800
Manufacturing	2050	2050	1850	0	200
Trans. Comm. & Util.	9300	9350	8500	-50	800
Trade	24250	24300	20500	-50	3750
Finance-Ins. & R. Estate ..	6350	6300	5750	50	600
Services & Misc.....	21200	21100	19750	100	1450
Government	26650	26600	25800	50	850

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1981.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.



LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 2/83	R 1/83	2/82	P 2/83	R 1/83	2/82	P 2/83	R 1/83	2/82	P 2/83	R 1/83	2/82
Alaska Statewide	208092	206636	193419	26006	25276	23627	12.5	12.2	12.2	182086	181360	169792
Anch.-Matsu Region	108015	107940	97401	10397	9906	9205	9.6	9.2	9.5	97618	98034	88196
Anchorage	97035	97042	87707	8463	8093	7684	8.7	8.3	8.8	88572	88949	80023
Matanuska-Susitna	10980	10898	9694	1934	1813	1521	17.6	16.6	15.7	9046	9085	8173
Gulf Coast Region	22490	22024	21339	4040	4170	3881	18.0	18.9	18.2	18450	17854	17458
Cordova	1156	1127	1102	168	171	167	14.5	15.2	15.2	988	956	935
Kenai	11714	11502	11052	2313	2405	2157	19.7	20.9	19.5	9401	9097	8895
Kodiak	4914	4849	4744	701	772	758	14.3	15.9	16.0	4213	4077	3986
Seward	1671	1648	1553	355	375	308	21.2	22.8	19.8	1316	1273	1245
Valdez	3035	2898	2888	503	447	491	16.6	15.4	17.0	2532	2451	2397
Interior Region	28004	27624	26204	4690	4658	4269	16.7	16.9	16.3	23314	22966	21935
Fairbanks	22781	22581	21339	3778	3862	3460	16.6	17.1	16.2	19003	18719	17879
Southeast Fairbanks	2198	2141	2129	292	263	336	13.3	12.3	15.8	1906	1878	1793
Upper Yukon	703	675	646	135	115	111	19.2	17.0	17.2	568	560	535
Yukon-Koyukuk	2322	2227	2090	485	418	362	20.9	18.8	17.3	1837	1809	1728
Northern Region	9880	9784	8877	835	869	764	8.5	8.9	8.6	9045	8915	8113
Barrow-North Slope	2599	2588	2372	159	183	184	6.1	7.1	7.8	2440	2405	2188
Kobuk	3097	3042	2801	290	275	283	9.4	9.0	10.1	2807	2767	2518
Nome	4184	4154	3704	386	411	297	9.2	9.9	8.0	3798	3743	3407
Southeast Region	30197	30005	29834	4966	4700	4379	16.4	15.7	14.7	25231	25305	25455
Angoon	418	413	415	84	78	78	20.1	18.9	18.8	334	335	337
Haines	1089	1062	1010	238	208	151	21.9	19.6	15.0	851	854	859
Juneau	10359	10247	10297	1199	1062	1057	11.6	10.4	10.3	9160	9185	9240
Ketchikan	6456	6446	6424	1148	1123	1069	17.8	17.4	16.6	5308	5323	5355
Outer Ketchikan	901	892	932	276	265	301	30.6	29.7	32.3	625	627	631
Prince of Wales	1551	1528	1394	384	357	216	24.8	23.4	15.5	1167	1171	1178
Sitka	4183	4195	4309	483	484	576	11.5	11.5	13.4	3700	3711	3733
Skagway	1581	1544	1510	347	306	265	21.9	19.8	17.5	1234	1238	1245
Wrangell-Petersburg	3659	3678	3543	807	817	666	22.1	22.2	18.8	2852	2861	2877
Southwest Region	9506	9259	9764	1078	973	1129	11.3	10.5	11.6	8428	8286	8635
Aleutian Islands	2459	2404	2536	167	151	188	6.8	6.3	7.4	2292	2253	2348
Bethel	3043	2958	3152	362	322	405	11.9	10.9	12.8	2681	2636	2747
Bristol Bay Borough	352	338	368	50	41	58	14.2	12.1	15.8	302	297	310
Bristol Bay	1276	1224	1279	144	111	119	11.3	9.1	9.3	1132	1113	1160
Kuskokwim	853	838	893	122	119	144	14.3	14.2	16.1	731	719	749
Wade Hampton	1523	1497	1536	233	229	215	15.3	15.3	14.0	1290	1268	1321

P/=Preliminary 1982 Benchmark

R/=Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

births outnumbered net in-migration 2 to 1. Out of the 23 census areas in Alaska, only three other areas experienced more population increase due to more new people moving in than births (Juneau, Kenai Peninsula, Valdez-Cordova).

Age, race and sex characteristics of the borough changed slightly from 1970 to 1980. The median age increased to 26.9 years from 25.8. This increase in median age was a statewide phenomenon as well. During the 1970s, minorities, primarily the Native group, increased their share of total population. The White group share dropped from 95.1% to 94.5%. Females also increased their presence in the area with a gain from 46.7% to 48.1%.

Table II
Race Characteristics
1980

	Number of Persons
White	16844
Black	90
Native	688
Asian and Pacific Islander	61
Other	133

Employment

The mainstays of the MatSu ecomony in the past were agriculture and mining which provided many of the jobs in the region. Although not as important to the health of the economy today, they provide heritage and opportunities in the future. Recently the Independence Mine of Palmer, once the areas largest lode mining operation, reopened. During the construction phase, which began in August 1979, through last year, 100 workers were at the site. If exploration reveals an adequate concentration of ore, as many as 65 people could be employed at the site, including miners, engineers and mechanics. Another 10-15 workers could be stationed at the mill to process the ore. Gold mining could again become an important basic (export) sector of the MatSu economy.

Agriculture in the area basically revolves around dairy farming, potatoes, lettuce and hay. Valley agriculture has steadily declined since the early 1960s when cheaper barge and containerized shipping to Anchorage began to

reduce shipping costs. With economies of scale and continued state subsidies, agricultural products could become cost competitive and supply more of Alaska's nondairy agricultural goods. Nondairy agricultural employment in the valley fluctuates around seasons but gets as high as 100 during harvest months. In 1981, dairy farm employment averaged 24 jobs.

Nonagricultural wage and salary employment in the MatSu region is primarily tied to providing goods and services to residents and visitors to the area. Historically, the largest concentration of nonagricultural jobs has been in government which provides road maintenance, law enforcement, education and a host of other services (in 1980 government employment represented 31% of total nonagricultural employment). The remainder of the economy is made up of wholesale and retail outlets; service oriented firms providing lodging, medical care, a host of personal and business services; firms providing electricity and telephone services; and finally, financial services.

Table III
Nonagricultural Employment
Selected Years

	1970	1975	1980	1982(est)
Total Nonagricultural	1145	2020	3272	3900
Mining	*	*	56	100
Construction	120	188	194	300
Manufacturing	*	30	136	100
Trans-Comm-Utilities	114	217	342	300
Trade	174	315	825	900
Finance, Ins. Real Estate	22	62	125	200
Services	179	288	591	1,000
Federal Government	106	124	114	100
State/Local Government	375	775	889	900

1980-1982 EMPLOYMENT

As did Anchorage and the remainder of the state, MatSu received economic impetus from oil generated state government appropriations for capital projects and the state's subsidized mortgage program.

Over the past 3 years (1980-1982) total nonagricultural employment has grown 19%. The increased employment rolls were primarily caused by the exploding population of the area. The highest growth in employment was in services to meet the needs of the growing population. Retail trade and

financial institutions also increased employment to meet the growing service area.

Construction activity, the most visible sign of a dynamic economy, reached record levels in 1981 and 1982. Construction employment increased 55% over 1980 levels and reached an all time high during those years. Government construction in MatSu, much like the remainder of the state (except Anchorage), outpaced all private projects except for residential construction which was very strong in the valley. Public projects ranged from numerous road improvement projects and hospital expansion, to school and fire hall construction. Residential construction was induced by the 10% to 20% differential between home prices in Anchorage and the MatSu and the large pool of potential home buyers caused by the state home mortgage program. From 1980 to 1982, between 2,000 to 2,500 units were constructed.

1983 OUTLOOK

The outlook for 1983 is generally a copy of 1982. Construction activity will remain in the limelight and a growing population will induce expansion in trade and services related business. The area home builders association and several realtors are expecting the number of residential units to outpace last year's record. Beyond 1983, the outlook for MatSu is less certain.

FAIRBANKS/INTERIOR

By Neal Fried

CHARACTERISTICS OF FAIRBANK'S LABOR FORCE BY SEX AND RACE

During each decennial census the Bureau of the Census collects labor force data for areas all over the country, including Fairbanks. These statistics provide insight into the status of the labor force by sex, race and ethnic origin. Many of these statistics can also be compared to previous censuses, providing further insight into the progress or lack of it made by these groups over time.

Labor Force by Sex

According to the 1980 census Fairbanks' civilian labor force is 58% male and 42% female. (In 1970, 40% of the civilian labor force was female.) The most dynamic change that has occurred has been the rapid growth of women's participation in the labor force. In 1970 approximately 46.6% of the women of working age were in the labor force compared to 59% in 1980. This increase has been part of the nationwide trend for women to take an increasingly active role in the labor force.

Women's participation in the labor force in Fairbanks is a full 9 percentage points above the national average which may reflect Fairbanks' younger labor force. It may also be higher because of the higher cost of living making it necessary to have two wage earners per family to make ends meet.

The female unemployment rate of 9.8% is lower than the male rate of 13%. This relationship is unchanged from the 1970 census and exists largely because males are more heavily concentrated in Alaska's seasonal industries (construction and transportation) and therefore, experience higher unemployment rates than women.

Labor Force by Race and Ethnic Origin

The race/ethnic categories have changed less than the female/male categories. The minority share of the civilian labor force is 9% and has remained very close to the 1970 levels. The largest minority group represented is Black with a 4.1% share of the civilian labor force followed by the Indian, Eskimo and Aleut group at 3.9%. The other two groups that were identified by the census were Asian/Pacific Islanders, and Spanish origin at 1.4% and 2.1%, respectively. During the 1970 census, data for a number of these specific groups were not collected and therefore, comparisons are difficult to make. With the information available, apparently the Asian and Pacific Islanders

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/	R/	CHANGES FROM:		
	2/83	**1/83**	**2/82**	**1/83**	**2/82**
Nonag. Wage & Salary.....	23500	23050	22350	450	1150
Mining	100	100	100	0	0
Construction	1500	1550	1400	-50	100
Manufacturing	400	400	400	0	0
Trans. Comm. & Util.	2700	2700	2600	0	100
Trucking & Wheeing.	500	500	500	0	0
Air Transportation	600	600	600	0	0
Other Trans. Comm. & Utilities.....	1600	1600	1500	0	100
Trade	4400	4500	4100	-100	300
Wholesale Trade	850	850	850	0	0
Retail Trade.....	3550	3650	3250	-100	300
Gen. Merchandise & Apparel	400	450	350	-50	50
Food Stores.....	650	650	650	0	0
Other Retail Trade	2500	2550	2250	-50	250
Finance-Ins. & R. Estate ..	850	850	850	0	0
Services & Misc.....	4700	4600	4400	100	300
Government	8850	8350	8500	500	350
Federal	2350	2350	2250	0	100
State	3850	3650	3650	200	200
Local.....	2650	2350	2600	300	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1981.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/ 2/83	R/ 1/83	2/82	CHANGES FROM: 1/83	2/82
Nonag. Wage & Salary.....	27050	26500	25500	550	1550
Mining	300	300	250	0	50
Construction	1800	1850	1550	-50	250
Manufacturing	450	450	400	0	50
Trans. Comm. & Util.	3500	3500	3350	0	150
Trade	4650	4650	4300	0	350
Finance-Ins. & R. Estate ..	950	900	900	50	50
Services & Misc.....	4950	4900	4750	50	200
Government	10450	9950	10000	500	450

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1981.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

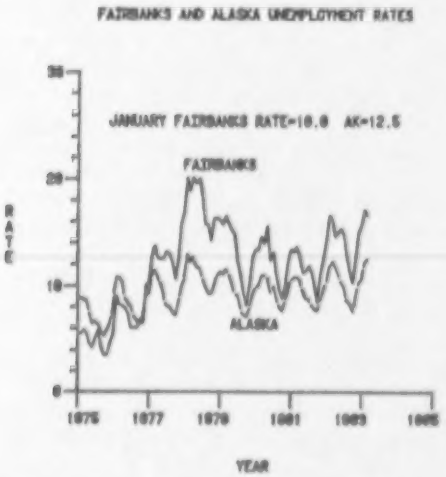
FAIRBANKS COMPOSITE NONAG EMPLOYMENT INDEX

group is the only ethnic group that has increased its share of the civilian labor force significantly.

For the total civilian labor force the jobless rate is 11.6%. All of the minority groups are experiencing higher jobless rates. Unemployment rates for the five major racial groups are: White (11.0%); Black (18.2%); Aleut, Indian, Eskimo (17.3%); Asian, Pacific Islander (12.8%); and Spanish Origin (11.7%).

Labor force participation rates for each racial group present a slightly different picture. The Black participation rate is the highest of all groups at 79% and is a result of the high percentage of this group in the military. The only two groups with participation rates below the overall average of 74% are Native Alaskans at 48% and Asian and Pacific Islanders at 62%.

The minority experience in Fairbanks' labor force is not unique, for it is repeated both on the statewide and national levels.



GULF COAST

By Neal Fried

CHARACTERISTICS OF GULF COAST'S LABOR FORCE BY SEX AND RACE

Every 10 years, the Bureau of Census produces labor force statistics for areas all over the country including Gulf Coast and its census divisions, Kenai-Cook Inlet, Kodiak and Valdez-Cordova. These statistics shed light on the status of the labor force by sex, race and ethnic origin. Many of these statistics can also be compared to previous censuses to provide further insight into the progress or lack of it made by these groups over time.

Labor Force by Sex

Gulf Coast's 1980 civilian labor force is 62% male and 38% female compared to 33% female in 1970. All of the census divisions have similar sex ratios in their labor forces. The most dramatic change that has occurred has been the rapid growth of women's participation in the labor force. In 1970 approximately 33% of the women of working age were in the region's labor force compared to 54% in 1980. The census division with the highest female participation rate is Kodiak at 60%, followed by Valdez-Cordova at 56% and Kenai-Cook Inlet at 50%. The differences in participation is a result of the availability of work, age, and family size. The Gulf Coast's female participation rate is 4 points above the national average and Kodiak is a full 10 points above the U.S. rate. This reflects the fact that the region's labor force is younger than the nation's and higher cost of living may make it more necessary to have 2 wage earners per family to make ends meet.

The female unemployment rate of 12.2% for the region is higher than the male rate of 9.5%. This is different than the state's overall experience and is similar to the national picture. This may be because more job opportunities exist in the region for the more traditionally male-dominated occupations.

Labor Force by Race and Ethnic Origin

The 13.6% minority share of the civilian labor force has not changed significantly from 1970. The largest minority group in the region is the Alaska Native at 7.8% followed by Asian and Pacific Islander (3.7%), Spanish origin (1.6%) and Blacks (.5%). Within the region's census divisions there is more variation. For example, in Kodiak 72% of the labor force is White compared to Kenai-Cook Inlet where 90% of the labor force is White. The Asian and Pacific Islander category makes up a significant share of Kodiak's labor force (10.9%) whereas in the remainder of the region their share is very small.

The unemployment picture is also mixed. Some of the minority groups are experiencing lower average jobless rates and others higher. For the total civilian labor force the jobless rate was 11.0% and for the Black and Native Alaskans the rates were 14.3% and 18.2%, respectively. The Asian and Pacific Islanders, White and those of Spanish origin registered rates below the average at 4.7%, 10.3% and 9.5%, respectively.

This experience did follow a similar pattern in all of the census divisions. The jobless rate for Alaskan Natives consistently remained above the average, being the highest in the Valdez-Cordova census division at 26.5%.

Labor force participation has gone up significantly in the region's census divisions. For example, in Kenai-Cook Inlet the rate was 57% in 1970 compared to 64% in 1980. Kodiak's gains were more dramatic, increasing

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NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

			CHANGES FROM:		
	P/	R/			
	2/83	**1/83**	**2/82**	**1/83**	**2/82**
Nonag. Wage & Salary.....	16100	15400	14750	700	1350
Mining	900	900	900	0	0
Construction	950	950	750	0	200
Manufacturing	2200	1650	2100	550	100
Food & Kindred Prod.....	1500	950	1400	550	100
All Other Mfg.	700	700	700	0	0
Trans. & Comm. Util.	2100	2000	1750	100	350
Trade	2450	2450	2200	0	250
Wholesale Trade	400	400	300	0	100
Retail Trade.....	2050	2050	1900	0	150
Finance-Ins. & R. Estate ..	450	450	400	0	50
Services & Misc.....	2450	2450	2300	0	150
Government	4600	4550	4350	50	250
Federal	550	550	500	0	50
State	1300	1250	1200	50	100
Local.....	2750	2750	2650	0	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1981.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

from 49% in 1970 to 75% in 1980. This is both because of the rapid increase in the number of women taking an active role in the labor force and because of the growth in the number of job opportunities.

The participation rates of the various ethnic and racial groups are similar to the jobless picture. Most of the groups are close to the total average or above it with the exception of the Alaskan Native which is as much as 20 percentage points below the average. A major factor for this phenomenon is the concentration of Alaskan Natives in the rural areas of the region where participation in the labor force is far more difficult.

SOUTHEAST

By Tony Zenk

Preliminary estimates for nonagricultural wage and salary employment for Southeast Alaska in February 1983 showed an approximate 2% increase over February 1982. This figure represents about 3% of the growth felt in nonagricultural wage and salary employment for the entire state.

EMPLOYMENT AT SEASONAL LOW

January and February are the low period of employment and business activity for the year for most industries.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

			CHANGES FROM:	
	P/ 2/83	R/ 1/83	2/82	1/83	2/82
Nonag. Wage & Salary.....	26050	26100	25550	-50	500
Construction.....	1150	1150	950	0	200
Manufacturing.....	2400	2300	2650	100	-250
Food & Kindred Prod.....	850	850	700	0	150
Lumber & Paper Prod....	1350	1250	1750	100	-400
All Other Mfg.....	200	200	200	0	0
Trans. Comm. & Util.....	2100	2100	2350	0	-250
Trade.....	4250	4450	3800	-200	450
Wholesale Trade.....	200	200	300	0	-100
Retail Trade.....	4050	4250	3500	-200	550
Finance-Ins. & R. Estate..	1000	1000	950	0	50
Mining, Svcs. & Misc.....	3350	3350	3300	0	50
Government.....	11800	11750	11550	50	250
Federal.....	2200	2200	2250	0	-50
State.....	5750	5700	5300	50	450
Local.....	3850	3850	4000	0	-150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1981.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

The construction industry is a good example of this pattern, employing as many as 2,350 persons in September 1982 at peak season while dropping to 1,150 persons in February. Although down seasonally in February, construction employment was up compared to last year. Much of the over the year growth was in specialty trades with employment nearly double last year's level. A much milder winter than last year has enabled many construction workers to remain on the job.

Employment in the wood products industry, although having some seasonal expansion in February, continued to be well below year ago levels. Employment in this industry rose about 8% from January to February, but was 23% lower than last year. Saw mill employment continued to be depressed with employment down 38% compared to last year in February. The international markets for Southeastern wood products have yet to show any significant improvements.

Although the entire trade industry for Southeast Alaska in February showed an approximate 12% increase in employment over last year, a majority of that increase was felt in eating and drinking establishments.

Government growth in February was about 2% over last year. Total government employment in Southeast Alaska accounted for about 45% of total nonagricultural wages and salaries in February 1983. A breakdown of government employment in Southeast showed that state government accounted for 49%, local contributed 33%, while federal government employed 18%.

January hours and earnings data were not available at press time. The hours and earnings time series is currently being benchmarked and will be published next month.